

AGN. NO. _____

MOTION BY SUPERVISOR YVONNE B. BURKE

MAY 23, 2006

WHEREAS, through two separate actions on October 20, 1998 and November 14, 2000, the Board approved \$800,000 in HOME Program funds to develop 21 very-low income multi-family housing units at 2418-2434 E. El Segundo Boulevard, in unincorporated Willowbrook (the Project). The Disposition and Development Agreement (DDA) for this project is between the Community Development Commission (Commission) and Orange Tree Village Affordable Housing Partners, L.P. (Developer). The Developer is a joint venture between American Housing Construction, Inc., and Drew Economic Development Corporation.

WHEREAS, the Commission subordinated its lien position in May 2002 to California Community Reinvestment Corporation (CCRC) who provided permanent financing on the project in the original sum of \$652,069.

M-O-R-E

MOTION

MOLINA	_____
BURKE	_____
YAROSLAVSKY	_____
KNABE	_____
ANTONOVICH	_____

MOTION BY SUPERVISOR YVONNE B. BURKE
MAY 23, 2006
PAGE TWO

WHEREAS, the Developer failed to make timely monthly payments to CCRC, failed to obtain and pay for the property insurance on an annual basis, failed to pay the established impound payment, failed to obtain prior approval prior to entering into a contract with the current property management firm, failed to pay the property taxes as they became due, and failed to file and obtain a welfare exemption to reduce the annual tax liability on the project.

WHEREAS, the Developer has defaulted on its loan with CCRC and CCRC has initiated foreclosure proceedings. CCRC has caused a foreclosure Trustee's Sale to be scheduled for May 24, 2006, at which time the property will be sold at a public auction to the highest bidder.

WHEREAS, should the Commission or Developer fail to remedy the default on the CCRC loan prior to the scheduled auction, the Commission would forfeit its legal interest in the property, which would have an adverse effect on the tenants and may result in the loss of the Commission's monetary interest and/or reimbursement to the U.S. Department of Housing and Urban Development.

M-O-R-E

**MOTION BY SUPERVISOR YVONNE B. BURKE
MAY 23, 2006
PAGE THREE**

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:

1. Authorize the Executive Director of the Community Development Commission to pay CCRC an amount up to \$150,000 in Tax-Exempt Bond Fees, to cure the default and stop the aforementioned foreclosure auction/sale, if deemed necessary; and
2. Authorize the Executive Director to amend the Commission's loan documents to recapture the amount paid to CCRC on behalf of the Developer at mutually agreed upon terms.